October 17 -- 11:30 a.m.

Excerpts from Agency 11:30 a.m. Sit Rep:

Tank battles and artillery duels continue on both fronts this morning, but details on the fighting are sparese. Israeli air activity in support of their ground forces continues to be heavy, with Egypt depending primarily on its SAM force and Syria using both SAMs and fighters in response to the Israeli On the Egyptian front, Israeli air strikes are concentrated on POrt Said and near Ismailia. According to radio Damascus, Israeli aircraft struck Latakia and Tartus this morning....

....at least some of the Israeli force which crossed the Canal is still in place near the Sweetwater Canal and Israeli aircraft are providing tactical support."

Among other items reported by this Agency sit rep:

25X1 the minimum Egyptian goal is to establish a beachhead on the east bnak of the canal. second goal has become the occupation of the major Sinai passes in order to form a defensive line against Israel....the territory between this defensive line and Isreal would become a buffer zone which might be supervised by a UN force....any military action beyond thie passes is concisdered suicidal by the Egyptians." 25X1 .. Soviet officers are at least present, and probably active, at the Syrian army opeations center...." --"If as is likely, the ten Soviet freighters transiting the Posporus since 7 October en route to ME ports are carrying war materiel, the Russians could deliver nearly 22,000 tons of war materiel by 18 October without any increase in theiaerial resupply effort...." -- "There has been little change in the positions of Soviet combatans in the Mediterranea...." --"In Moscow yesterday,... Brezhnev stressed to visiting Danish Prime Minister Jorgensen that it was necessary to bring the ME conflict to an end by concentrating efforts on the package solution envisioned by Resolution 242. The Danes said they were especially struck by the emphasis Brezhnev placed on the necessity of maintain the momentum of detente." -- "Although there are still no plans for an SC meeting,

DIA review completed. ARab representatives are renewing their diplomatic activities

reactions to Sadat's 16 October address and suggested that they are still looking for a US cease-fire and peace conference proposal....Zayyat met yesterday with representatives of the nine EC states. Emphasizing Sadat's "five points" Zayyat offered an unemotional presentation which reportedly made

....Syrian and Egyptian diplomats (yesterday) sought US

a favorable impression

Re oil, the Agency reported that:

"The Persian Gulf members of (OPEC) have unilaterally increased the posted price of crude oil by almost 70 percent....The action was not directly related to the meeting today at Kuwait of (OAPEC)... stated before the meeting, how-

25X1

ever, that he anticipates some comintatin of embargo and production limitation..."

"...High French officials are worried that the timetable for the current negotiations on an OECD-wide oil-sharing schemes rules out agreement before late November. In light of the threat to future supplies from the ME war, the French are perplexed by an alleged lack of US urgency in pursuing a sharing agreement..."

among other things in its 11:30 a.m. sit rep that:

25X1

--"...elements of the East German armed forces may have assumed an alert status on 9 October, possibly in response to the ME crises....The Soviet Mediterranean Squadron has been augmented by three Polnocny-class tank landing ships and one light stores ship.....The resupply airlift to the ME continues into its eight day....A total of 61 flights were scheduled on the 17th.. Our continuing assessment of Soviet command, control and communications does not indicate that the Soviets are posturing their forces for intervention in the Middle East....no current evidence....to suggest their forces are now in a combat-alert status...Direct Soviet military involvement, except resupply transports, in the Middl East is considered remote at this time."